



TEXAS DEPARTMENT OF HEALTH  
Procurement Card (ProCard) Program

---

# General Information Guide

PROCUREMENT CARD (PROCARD) PROGRAM

## General Information Guide

---

© Texas Department of Health  
1100 West 49<sup>th</sup> Street  
Austin, Texas 78756  
Phone 512.458.7744 • Fax 512.458.7244

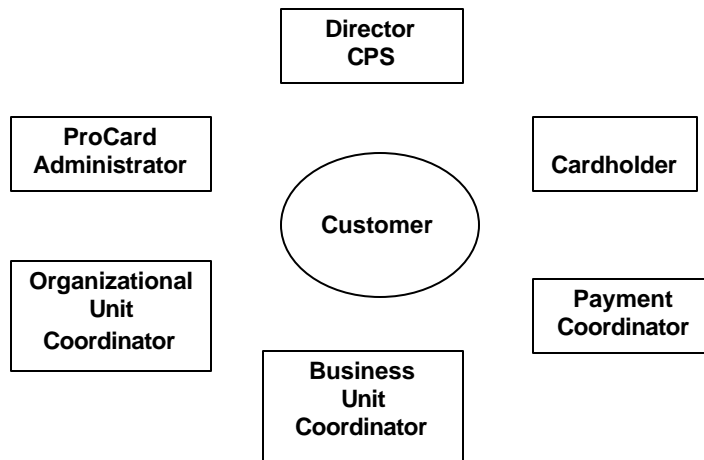
---

### Overview of the Procurement Card Program

- Who?** The State of Texas negotiated with Bank of America to provide state agencies with procurement cards for making some small dollar spot purchases
- Why?** The card is designed to speed up the purchasing and payment procedures for your small dollar goods and services needs.
- What?** The card is designed as a payment method to streamline small dollar purchases typically made utilizing petty cash, local accounts, or employee reimbursement.
- How?** You make your purchases simply by following procurement procedures and charging them on your card!
- Where?** Any Associate Commissioner, Bureau Chief or Division Director interested in obtaining a Procurement Card for an employee should contact their Associateship, Region, or Hospital Organizational Unit Coordinator for their Associateship, Region or Hospital and provide the following information:
- Applicant's Name as shown on TDH employment records
  - Applicant's Function, Job Title and pay grade
  - Applicant's TDH e-mail and mailing address and TDH telephone number
  - Applicant's Social Security Number
  - The Business Unit (Bureau, Division or Program) the ProCard applicant will be purchasing for and default budget number for purchases made using the ProCard.
  - The date the applicant received Procurement Card Training from the Bureau of Resource Management – Central Procurement Services.

This information will be forwarded to the TDH ProCard Administrator who will then review the information provided. The TDH ProCard Administrator will then forward the application to Bank of America for final approval, processing and to establish the individual cardholder's account.

**TDH ProCard Organization  
Revolves around the Customer**



**Director, Central Procurement Services** – Located within the Bureau of Resource Management, the Director provides general oversight of the TDH ProCard Program.

**TDH ProCard Administrator** – Located in Bureau of Resource Management, Central Procurement Services, and the TDH ProCard Administrator oversees the day to day operations of the TDH ProCard Program.

**Fiscal Payment Coordinator** – Located in Fiscal Division – Accounts Payable Office, Bureau of Financial Services, the Fiscal Payment Coordinator oversees the payment process for the TDH ProCard Program

**Organization Unit Coordinator** – Located in a Hospital, Regional or Associateship, works directly with the TDH ProCard Administrator and the Business Unit Coordinator to organize and maintain Organizational Unit. Works with Fiscal Payment Coordinator on the Organizational Unit Financial issues. **Cannot be a cardholder.**

**Business Unit Coordinator** – Located within TDH Bureaus, Divisions and Programs, responsible for the operation of the Business Unit. Works with the TDH ProCard Administrator and the Organizational Unit Coordinator to organize and maintain Business Unit. Works with Organizational Unit Coordinator on payment issues for the Business Unit. **Can be cardholder**

**Cardholder** – TDH employee empowered to make small dollar purchases using the ProCard for the various programs and projects at the TDH. Has direct contact with the End User.

### Contact Names and Telephone Numbers

**Central Procurement Services**.....(512) 458-7744  
Fax: .....(512) 458-7244

Robert D. Burnette .....(512) 458-7744, Ext. 6951  
Director of Purchasing, CPS

Michael Doss.....(512) 458-7744, Ext. 6912  
Procurement Card Administrator, CPS.....(512) 875-0909 – pager  
e-mail address.....Mike.Doss@tdh.state.tx.us

**Fiscal ProCard Payment Coordinator** .....(512) 458-7435  
Fax: .....ext. 7442  
Karen Edwards.....ext. 2261  
e-mail address.....Karen.Edwards@tdh.state.tx.us

#### Bank of America

Bank of America Customer Service:  
7:00 AM - 7:00 PM Monday - Friday .....(800) 300-3084  
Customer Service Fax: .....(602) 597-3386

**LOST/STOLEN CARDS:**  
Bank of America 24 Hours/Day: 7 Days/Week.....(800) 300-3084  
CPS-Michael Doss .....(512) 458-7744, Ext. 6912

**CHARGE DISPUTES:**  
Bank of America .....(800) 300-3084  
Fax: .....(888) 678-6046

Write Bank of America at:  
Bank of America – Commercial Purchasing Card Services  
P.O. Box 53121  
Phoenix, AZ 85034-3121

**TO REPORT FRAUDULENT USE or MISAPPLICATION OF THE ProCard:**  
CPS-Michael Doss .....(512) 458-7744, Ext. 6912  
Internal Audit, Austin Headquarters .....(512) 458-7354

**ASSOCIATESHIP FOR INFORMATION SYSTEMS**

Office of Planning and Quality Assurance.....(512) 458-7271  
e-mail address..... ITAPPROVAL@tdh.state.tx.us

**ASSOCIATESHIP, REGION, HOSPITAL ORGANIZATIONAL UNIT  
COORDINATORS**

**Public Health Region 1**

Jennifer Davis.....(806) 744-3577

**Public Health Region 2/3**

Terry Whitener.....817) 264-4521

**Public Health Region 4/5**

Carolyn Martin.....(903) 595-3585

**Public Health Region 5/6**

Voroncia Crayton.....(713) 767-3025

**Public Health Region 7**

Rosemary Ocanas.....254) 778-6744

**Public Health Region 8**

Becky Miles.....(210) 949-2007

**Public Health Region 9/10**

Frank Cornwell.....(915) 834-7675

**Public Health Region 11**

Fernando Castillo.....(956) 423-0130

**Texas Center for Infectious Disease**

Victoria Esparza.....(210) 534-8857

**South Texas Hospital**

Jerry Pena.....956) 423-3420

**Office of the Commissioner of Health**

Gary Gartzke.....(512) 458-7111 xt.6554

**Associate Commissioner for Community Health and Resources**

Blanca Flores.....(512) 458-7111 xt.3587

**Associate Commissioner for Disease Control & Prevention**

Nora Torres.....(512) 458-7111 xt.2466

**Associate Commissioner for Health Care Quality & Standards**

Karen Purdy.....(512) 458-7111 xt.7541

**Associate Commissioner for Environmental & Consumer Health**

Karen Purdy.....(512) 458-7111 xt.7541

**HHSC – Health Care Finance**

Kitty Krempin.....(512) 338-6962

**Associate Commissioner for Information & Support**

Kathy O'Neill.....(512) 794-5123

**Associate Commissioner for Information Resources & Business  
Management**

C.J. Adams.....512) 458-7111 xt.7303

**Associate Commissioner for Human Resources & Support**

Frank Paxton.....(512) 458-7111 xt.2941

**MTP-Client Services**

Joey Herrera.....512) 458-7111 xt.2827

## **Procurement Card Processes**

## PROCUREMENT CARD PROCESSES

### Getting a Procurement Card –

There are 2 Levels of Cardholder Single Transaction Limits (**STL**) available:

- **Maximum STL up to \$5,000.00:** Those applicants that have successfully completed General Services Commission Basic Purchasing Training and/or Certification are eligible for a Single Transaction Limit of up to \$5,000.00. **(NOTE: The Single Transaction Limit for QISV products remains at a maximum of \$2,000.00 for all cardholders.)**

Requirements:

Minimum pay grade: A10/B2

Training:

GSC Basic Purchasing Process Training – certificate required

TDH Purchasing Procedures Training – preferred

TDH ProCard Training – certificate required

TDH ProCard Update Training – required at ProCard renewal

- **Maximum STL up to \$2,000.00:** Those applicants who **have not** successfully completed General Services Commission Basic Purchasing Training and/or Certification are eligible for a Single Transaction Limit of up to \$2,000.00.

Requirements:

Minimum pay grade: A10/B2

Training:

State of Texas Purchasing Process Training – preferred

TDH Purchasing Procedures Training – preferred

TDH ProCard Training – certificate required

TDH ProCard Update Training – required at ProCard renewal

Any Associate Commissioner, Bureau Chief or Division Director interested in obtaining a ProCard for an employee should contact their Associateship, Region or Hospital Organizational Unit Coordinator. Your Organizational Unit Coordinator must e-Mail your request to the TDH Procurement Card Administrator and provide the following information:

- The Applicant's name as shown on their TDH employment records.
- The Applicant's Social Security Number.
- The Applicant's TDH mailing and e-Mail addresses/telephone and fax numbers
- The Business Unit (Bureau, Division or Program) within the Organizational Unit that the applicant will be purchasing for and the default budget number for the Applicant's purchases.
- The date the Applicant received Procurement Card Training from the Bureau of Resource Management – Central Procurement Services.

The TDH Procurement Card Administrator will forward the request to Bank of America for final approval and the establishment of the individual cardholder's account. Upon approval by the Bank of America, the individual cardholder's credit card will be forwarded to the cardholder thru the TDH Procurement Card Administrator's office. Along with the ProCard 3 copies of the Cardholder's letter of agreement to follow the policies and procedures of the ProCard Program and acknowledgement of receipt of the individual employee's procurement card and a hard copy of the current TDH ProCard card manual. This letter of agreement and acknowledgement must be signed and returned to the TDH Procurement Card Administrator in the Bureau of Resource Management - Central Procurement Services office within 5 working days, with the Organizational Unit Coordinator and cardholder retaining a copy for their files.

## **PROCUREMENT CARD PROCESSES**

### **Steps to Making a Purchase**

#### **1) Specifications - Defining End User needs**

The end user/requestor provides to the ProCard holder the specifications, along with the funding information, for the commodity or service required. A specification is a detailed description of a product or service that a user seeks to procure, and consequently, a description of what a vendor must offer to be considered for an award. Specifications are the primary means of communication between the customer and a vendor.

Specifications control the following procurement aspects:

- the quality of the product
- the amount of competition
- suitability of the product or service for the job
- the method of evaluation used in making an award and in determining the offer with the best value for the purchase

Specifications must be clear and understandable to all vendors. They must permit competition between products of equal quality. Specifications establish minimum standards of quality, but do not preclude the acceptance or awarding of bids which offer better quality or best value.

#### **2) Methods of Evaluation -**

There are two methods of evaluation available to cardholders, "Lowest and Best Bid" and "Best Value".

##### **Lowest and Best Bid -**

Section 2.41 of the current GSC Procurement Manual states: "An award is made to the vendor submitting the lowest and best bid conforming to the identified best value to the state specifications."

##### **Best Value -**

As a member agency of the Health and Human Services Commission (HHSC), TDH is permitted to evaluate its purchases using on "Best Value" criteria. Those criteria may be extended to include procurement card purchases when the savings to the agency can be clearly documented.

### 3) Procurement Method Selected -

On September 1, 2001, HHSC approved TDH to operate under HHSC Purchasing Rules. Under these rules there are several methods of procuring goods and services available for the use of TDH. These range from obtaining surplus items from other TDH programs, other state agencies or the federal government, to blanket orders, to GSC term and TDH open market contracts. The approval of these rules now makes most GSC Term Contracts optional for use by HHSC member agencies. The only GSC Term Contracts HHSC member agencies are **required to utilize** are those where the vendor is Texas Industries for the Blind and Handicapped (TIBH) or Texas Correctional Industries (TCI).

Purchases made using the ProCard as a payment process are currently limited to a delegated purchasing limit of \$2,000.00; or if the cardholder has completed GSC Basic Purchasing Training or Certification, the Single Transaction Limit may be raised to a maximum of \$5,000.00 (**for catalog Information Technology and QISV product purchases, the Single Transaction Limit remains at a maximum of \$2,000.00 for all Cardholders**). This allows purchases to be made using the non-competitive solicitation process. In most cases, ProCard purchases are made from local vendors (preferably a HUB) at an agreed upon price using the non-competitive solicitation process when conducting the solicitation.

At this point in the process the cardholder will begin the documentation process by completing the following actions prior to continuing further in the solicitation process.

1. Ensure that the funding for the purchase is available and that all of the funding information necessary to complete payment is recorded on the monthly ProCard Log.
2. Review the TDH Blanket Order List to ensure that the item being requested is not available for purchase using a TDH Blanket Order.

3. Review the GSC Automated Term Contract for TIBH or TCI term contract items only on goods and services that match exactly the requested goods or services. If there is an exact match, please do the following:
  - Ensure that the total dollar value of the order is less than the spot purchasing dollar limit listed in the TIBH or TCI Term Contract. If it is less you may buy from a non-TIBH/TCI vendor.
  - If the total dollar value of the order is greater, the purchase must be made using the TIBH Term Contract.

If the goods or services offered are not an exact match to goods or services requested, you may purchase from a non-TIBH/TCI vendor.

#### **4) Selecting a Vendor**

Each state agency must make a good faith effort to do business with Historically Underutilized Businesses or HUBs [1TAC (Texas Administrative Code) Chapter 111, § 111.11 - 111.24 (copies available from the TDH HUB Program office)]. The goal is to promote full and equal economic opportunity for all businesses in contracting with the state.

It is important that HUBs be considered with every Pro-Card purchase. Executive Order XO-1201, IV-B §1 states: Agency operating unit will purchase from a HUB vendor to the fullest extent possible.

In the event that a division, Program, hospital, or region is unable to locate a HUB vendor from the CMBL or other available sources, the division must make a written notation on the ProCard Log of all HUB vendors contacted and document the unavailability of HUBs. TDH Operating Procedure-1251, Purchasing Procedures implements this by requiring cardholders to contact a HUB vendor for each purchase.

There are two ways to locate a General Services Commission (GSC) certified HUB:

1. On the GSC Internet site:  
[www.gsc.state.tx.us/cmbml/cmbhub.html](http://www.gsc.state.tx.us/cmbml/cmbhub.html). For directions on using this site to locate HUBs, contact the TDH HUB Program office.
2. By calling the TDH HUB Program office and request a listing of HUBs for the specific purchase you plan to make; you will receive a faxed list, usually with 48 working hours.

**a) Set-Aside Vendors**

**Texas Council for Purchasing from People with Disabilities (TIBH)**

The Texas Council for Purchasing from People with Disabilities is a state use program. Commodity items and services are offered by the Texas Industries for the Blind & Handicapped (TIBH). This entity is a private nonprofit corporation, in conjunction with the review and fair market price approval by the Texas Council on Purchasing from People with Disabilities. The purpose of this activity is to encourage and assist disabled persons to achieve maximum personal independence by engaging in useful and productive activities.

**Prison-Made Goods Act Waiver (TCI)**

The Prison Made Goods Act, requires that an agency purchase goods made by and services offered by the Texas Correctional Industries (TCI). Competitive bidding is not required for items purchased from TCI under the Prison Made Good Acts, with the exception of printing.

If a product or service offered by TCI as set forth in its catalog of products and services needs to be purchased from a source other than TCI, a waiver from TCI must be obtained. The waiver request can be based on a substantial difference in specifications, which could include delivery, or based on substantial price differences, or both.

**b) Directed Purchases/Recycled Products**

TDH must buy recycled goods when a combined purchase of these items totals \$150.00 or more:

1. Re-refined Oils and Lubricants
2. Recycled – Content Toilet Paper, Toilet Seat Covers, and Paper Towels
3. Recycled – Content Printing, Computer and Copier Paper and Business Envelopes

When these items are purchased with a combined purchase amount of \$150.00 or more, proof of the recycled content is to be attached to the ProCard Log.

### **c) Directed Purchases/Computers and Software**

**Computers and Software: All computer and software purchases must be approved by the Office of Planning and Quality Assurance of the Associateship for Information Systems prior to purchase.** A copy of this approval must be included with the ProCard Log when it is sent for payment processing. In order to meet the requirements of HB 1895, any Software products from the following publishers are to be purchased directly from the Texas Department of Information Resources or one of the approved vendors participating in DIR's Go DIRect program. **(NOTE: The Single Transaction Limit for QISV purchases is \$2,000.00)**

<b>Adobe</b>	<b>Lotus</b>	<b>PowerQuest</b>
<b>Computer Associates</b>	<b>Network Associates</b>	<b>Seagate</b>
<b>Corel</b>	<b>Microsoft (includes Visio)</b>	<b>Symantec</b>
<b>FileMaker</b>	<b>Novell, Inc. MLA</b>	<b>Veritas</b>

### **5) Solicitation –**

The solicitation on a ProCard purchase is the communication of the interest or intent of the purchaser in obtaining the goods or services listed in the specifications from a vendor. On September 1, 2001, HHSC approved TDH to operate under HHSC purchasing rules. Per the HHSC rules, purchases of commodities or services under \$5,000.00 do not require bids, (Note: on QISV or catalog Information Technology purchases the Single Transaction Limit remains at a maximum of \$2,000.00). A Good Faith effort to contact a HUB is required on all ProCard transactions. TDH policy requires that programs must attempt to solicit three informal bids if the transaction is over this \$5,000.00 limit (or \$2,000.00 if it is a QISV purchase). If a HUB vendor is not used, the HUB vendors contacted about the solicitation must be listed on the ProCard Log. In addition, non-CMBL vendors may supplement these HUB vendors contacted.

On a ProCard solicitation a verbal, faxed or e-mailed quote may be obtained. In many cases when purchasing an item with exacting or detailed specifications it is recommended that the solicitation be sent to the vendors using either a fax or e-mail.

### **6) Evaluation and Award –**

The following information will be documented and maintained in the cardholder's purchasing files. When the purchase is awarded to a non-HUB vendor this information is to be included on the ProCard Log when documenting the purchase.

- CMBL and non-CMBL (if applicable) vendors contacted
- Name of the agents contacted and telephone numbers or e-mail addresses
- GSC certified HUB ethnicity/gender indication
- Vendor response, include dollar amount bid and all no bids
- Awarded vendor indication

### **Best Value Evaluation**

For a cardholder to use “Best Value” criteria, on a QISV or catalog IT purchase for example, he or she must document the “Best Value” factors or savings in a “Best Value” Statement and attach that Statement to the purchase log. Cost savings or “Best Value” determinations must be clear and defined, otherwise the use of these criteria is unauthorized and the purchase may violate Rules, Policies and Procedures. The statement must clearly address:

- “Best Value” determining factors, i.e., awarded vendor offered the best warranty; or highest quality of materials, etc. or,
- Direct costs avoided, i.e., cost of normal purchasing process (request through automated purchasing system), freight and delivery costs (if item is picked up by employee), etc. or,
- Direct cost savings, i.e., lower unit cost versus TIBH or TCI term contract pricing, purchasing only required quantities, vs. minimum contract quantities.

### **7) Place the Order**

Award the contract to the vendor submitting the lowest and best offer conforming to the required specifications, terms, and conditions or best value criteria stated in the solicitation.

- Give the awarded vendor your ProCard for the items you want. For mail/phone orders give your ProCard account number as requested. For orders placed over the Internet ensure that you are giving your card over a secure site. If you are unsure of the security of the site complete the transaction by phone or do not make the purchase from that vendor using their Internet site.

- Give the vendor clear shipping instructions. Inform the vendor that the shipment is F.O.B. destination and ensure that the vendor will include a contact name and telephone number on the packing slip. Often when this information is not included warehouse staff must return items to vendors because they cannot tell where to forward the item. This results in lost time for the warehouse staff, the vendor's staff and your customer when an item has to be sent back and reordered, not to mention restocking fees.

## 8) Sales Taxes

The State of Texas is exempt from paying certain taxes. They include: State and Local (City, Transit Authority, etc.) Sales Tax - The State is exempt from all Texas State and local sales tax. When securing bids on a local, spot, or emergency basis, notify the vendor (preferably in writing) that purchases made for the state are not subject to Texas sales tax. Other state taxes are not applicable if the F.O.B. destination in Texas is specified.

Even when bids require both labor and materials, the state is still exempt from the tax paid by the contractors on behalf of the state, on the materials they supply when performing a labor and materials contract job.

THE TDH FEDERAL TAX EXEMPT NUMBER IS: **74-6000182**

THE TDH STATE TAX EXEMPT NUMBER IS: **3-501-501-501-5000**

## 9) Receiving Goods – Documentation, Inspection and Acceptance

1. When making a purchase in person you should receive a charge-card receipt and cash register receipt or invoice, keep them and turn them in to your Organizational Unit Coordinator with your monthly ProCard Log. Visibly inspect the packaging and item before leaving if damage is found. Count the items to ensure that they agree with the amount listed on the receipt, invoice or packing slip. If damage is found and the item is accepted, note the damage on the receipt, invoice or packing slip. If the vendor's return policy is unknown, obtain a written copy.
2. When having an item picked up by a TDH employee, ensure that they do not sign the charge-card receipt on the cardholder's line. If they must sign the charge-card receipt instruct them to sign the body of the document. They are to visibly inspect the packaging and items for damage before leaving. They are to count and inspect the items to ensure that they are in agreement with the receipt, invoice or packing slip. If the item is accepted, note the damage or discrepancy on the receipt, invoice or packing slip.

3. When the item is shipped to the a TDH Warehouse location, contact the warehouse receiving staff by e-mail with a description of the items being shipped, number of units expected, Vendor name and contact number, any other additional shipping instructions and most important, a contact name and telephone number to call with questions about the shipment.
4. When the item is shipped directly to you, visibly inspect the packaging and item before accepting the package. Count the items to ensure that they agree with amount listed on the receipt, invoice or packing slip. If damage is found and the item is accepted, note the damage on the receipt, invoice or packing slip. Contact the vendor if hidden damage is found after accepting the shipment.

## 10) Asset Management

While most items purchased with the ProCard are considered consumables in that the expected useful life of the product is less than one year. On occasion items with an expected useful life greater than one year, such as reference books, computer software, office equipment and appliances will be purchased using the ProCard. When this occurs the cardholder is charged with registering the items purchased with the TDH Asset Management system by contacting their Business or Organizational Unit Property Custodian.

**Expensed Items-** Currently any non-consumable item with a unit value of less than \$500.00 belongs in Category 20 (Expensed, formerly known as Category 88) and will not require an inventory tag to be issued by the Asset Management office of the Bureau of Resource Management. However, many items purchased with the ProCard with a unit value of less than \$500.00, i.e. some computer equipment and accessories, office equipment and furnishings could be considered assets and are accountable because the useful life of the item purchased can be reasonably expected to last longer than one year. These items are to be inventoried with your Business Unit's Property Custodian and proof attached to the Monthly ProCard Log.

**Controlled Items –** Many items with a unit value equal to or exceeding \$500.00 but less than \$5,000.00 belonging in Category 50 (Controlled), i.e. laboratory equipment, (only those items defined as centrifuges, microscopes, incubators, oscilloscopes, and balances), desktop printers and scanners, fax machines, video cameras and recording devices, are considered "Controlled" items. Controlled items are to be affixed with a unique TDH inventory number printed on a barcode tag and have the serial number recorded in the TDH database of fixed assets. Proof of registration with the TDH database of fixed assets is to be attached to the monthly ProCard Log.

**Capitalized Items**— Any items with a unit value equal to or greater than \$5,000.00 belonging in Category 50 (formerly known as Category 58) are considered “Capitalized” or “Capitalized Budget Project” items. Capitalized or Capitalized Budget Project items are to be affixed with a unique TDH inventory number printed on a barcode tag and have the serial number recorded in the TDH database of fixed assets. Proof of registration with the TDH database of fixed assets is to be attached to the monthly ProCard Log.

## 11) Cardholder Follow-up

### Documentation

- **ProCard Log** – On the last billing day of the month, currently the 4<sup>th</sup> day of the following month, the cardholder is to close the previous month's ProCard Log and begin logging their purchases in the following month's ProCard Log. Upon receipt of the individual cardholder's monthly statement the cardholder will reconcile the monthly statement to the ProCard Log and the receipts, invoices and packing slips received during the month, making note of all disputed purchase amounts or quantities. Upon completion of the reconciliation the cardholder will then forward an electronic copy of the monthly ProCard Log and any electronic documentation to their Organizational Unit Coordinator thru their Business Unit Coordinator and maintain a copy for their records. Hard Copies of the ProCard Log, purchase approval and waiver letters, receipts, invoices and packing slips, disputed purchase information and all supporting documentation is to be forwarded to the Organizational Unit Coordinator via inter-office mail with the cardholder retaining copies for their records.
- **Disputed Purchases**—Occasionally a cardholder will find a purchase charged to their account for a different amount than agreed upon at purchase or a charge for a purchase they did not make. The first step is to contact the vendor to attempt to resolve the situation. If the vendor agrees that the charge is in error, arrange for the vendor to issue a credit to the cardholder's account for the disputed amount. Log this credit in the following month's ProCard Log and check to ensure that the credit was received and in the correct amount on the next monthly account statement. In the event that the cardholder and the vendor cannot resolve the dispute, the cardholder is to contact the TDH ProCard Administrator for further assistance and instructions.

- **Purchase Voucher Log** – The Organizational Unit Coordinator will maintain a log of all purchase vouchers created for payment of the Unit's monthly invoices from Bank of America. This Log is to include the purchase voucher assigned number, the date of the voucher and the amount paid.

## 12) Paying the Bills

The current TDH payment plan with Bank of America states that the Agency will receive a monthly statement detailing the previous month's individual cardholder's purchases. Payment for this statement is due in full within 30 days of the billing date. Payments made after that time may be subject to interest charges on the unpaid amount imposed by the State Comptroller, Bank of America or both.

- **ProCard Payment** – The Organizational Unit Coordinator will receive a monthly-consolidated account statement that will include all the individual cardholders assigned to the Organizational Unit. As the cardholder's monthly ProCard Logs and documentation are received, the Organizational Unit Coordinator will compare items listed on the statement with the ProCard Log and supporting documentation. Once the billing has been reviewed, the Associate Commissioner and/or person with signature authority for the Organizational Unit, approves the billing for voucher preparation.
- **Purchase Voucher** – A purchase voucher ("F") is then prepared electronically and forwarded to the Fiscal – Accounts Payable office. Hard copies of the ProCard Logs, supporting documents and payment voucher are to be forwarded to the Fiscal – Accounts Payable office within three (3) working days
- **The Purchase Voucher must include the following:**
  1. Payment in full for the amount due shown on the ProCard monthly statement(s) for the Organizational Unit.
  2. The Comptroller's Vendor Identification Number for Bank of America Direct Deposit Payments. The VIN for Bank of America is: **186006452656001**.
  3. The Bank of America's 16-digit assigned Organizational Unit account number must be entered into the "**Inv. No.**" field **without dashes or spaces**. If this number is not entered, incomplete or in error, the payment voucher will be rejected and returned for correction.

4. When a Capitalized item is purchased the assigned inventory number should be entered into the appropriate field on the purchase voucher. (See Asset Management Section)
5. When a Capitalized item is purchased the correct Account (formerly the Comptrollers Object Code) is to be entered into the appropriate field of the payment voucher. Purchased items are to be grouped by Account on the payment voucher.

## **Procurement Card Policy**

## RESTRICTED PURCHASES

### A) Items not allowed to be purchased with the ProCard

The following items are NOT authorized uses of the procurement card. Such purchases are violations of Rules, Policies and Procedures and may result in administrative action against any cardholder purchasing such items. These purchases will be considered unauthorized and reported to appropriate TDH management.

NO PURCHASES FROM THE FOLLOWING TYPES OF BUSINESSES AS DEFINED BY THE FOLLOWING MERCHANT CATEGORY CODES:

<u>MCC Code</u>	<u>Business Type</u>
4722	Travel Agencies
5681	Furriers and Fur Shops
5813	Bars, Taverns, Night Clubs, Cocktail Lounges, Alcoholic Beverage Places
5921	Package Stores, Beer, Wine, Liquor
5944	Jewelry, Watches, Clocks and Silverware stores
6010	Financial Institutions, Manual Cash Disbursements
7273	Dating Services
7297	Massage Parlors
7298	Health and Beauty Spas

#### 1) Purchases that exceed the individual Cardholder's Single Transaction

**Limit (STL):** The individual cardholder's STL is established by TDH management and CPS and reported to Bank of America where the STL is coded to the cardholder's account. If a cardholder attempts to spend more than the STL, the Bank of America will decline this transaction. Exceeding the STL will be treated as an unauthorized purchase and be reported to appropriate TDH management. **(NOTE: The maximum Single Transaction Limit for a QISV or catalog Information Technology purchase is \$2,000.00)**

**2) TDH Blanket Order Items:** Any items currently available for purchase on a TDH Blanket Order Contracts are not allowed to be purchased using the procurement card. This list includes printer toner cartridges, temporary employment services, modular furniture and moving services. TDH Blanket Orders are listed on the CPS website.

**3) Cash Advances:** This includes receiving cash either as a direct advance or as change from a transaction recorded at a value above the actual purchase cost.

**4) Cash Refunds:** All refunds must be either for credit against the original transaction on the procurement card account or in exchange of a like good. Any difference in price must be processed as a credit against the original transaction on the procurement card account.

**5) Consulting Services:** Any "BIDABLE" service, including computer programming, management consulting and project management are not allowed to be purchased with the ProCard.

**6) Insurance:** Includes insurance on rented/leased vehicles and travel insurance.

**7) Items for Resale:** No item may be purchased with the intent to resell it.

**8) First-Time Printing:** Section 21 of the Texas Constitution requires all printing to be competitively bid. Therefore, more than one bid should be obtained even if the amount is under \$2,000. You must obtain a bid from TCI or have a waiver form in addition to your bid list. Examples: Newsletters, Brochures, Pamphlets, Advertisements (Additional copies of previously printed items are OK.).

**9) Surety Bonds:** No Surety Bonds may be purchased with the procurement card.

**10) Travel and Travel Related Expenses/Purchases:** These can only be charged on the TDH Travel Card.

#### **11) Witness Expenses**

### **B) PURCHASES REQUIRING ADDITIONAL DOCUMENTATION, PROCEDURES AND/OR APPROVALS**

**1) Purchases made over the Internet:** Use of the procurement card for purchases made over the Internet are prohibited unless the purchase is made over a secure network connection.

**2) Items Requiring Additional Approvals and/or Waivers:** Items that require proof of approval, such as computers, software or other Information Technology products; or waivers, such as goods or services offered by TIBH or TCI, will require approval or a waiver prior to purchase. If an approval or waiver is granted for a pending purchase using the ProCard, proof of the approval or waiver must be attached to the monthly ProCard Log.

**3) Computers:** All computer purchases must be approved by the Office of Planning and Quality Assurance of the Associateship for Information Systems prior to purchase. Exception: Computer consumable or electrical supplies may be purchased without prior approval. Components CANNOT be purchased to construct a computer. A copy of the IT approval letter from the Associateship for Information Systems must be attached to the ProCard Log. **(NOTE: The maximum Single Transaction Limit for a QISV or catalog Information Technology purchase is \$2,000.00)**

**4) Capitalized/Controlled Items:** Generally, a capitalized asset is a good other than a consumable that benefits both the current and future appropriation years. These are items that need inventory control tags. If a capital item is purchased, please call the Property Office at 512-458-7779 for instructions and to receive a property tag. (See Asset Management Section)

**5) Food:** Only Hospitals, Bureau of Nutrition Services and Bureau of Laboratories can purchase food. This food may only be used for hospital patients, nutritional training, video production, or laboratory media.

**6) Rental of Conference Rooms:** The Pro Card can ONLY pay for the rental of the conference room itself. The Pro Cardholder will be held responsible for any food, drinks or catering itemized on the bill.

**7) Software:** All software purchases must be approved by the Office of Planning and Quality Assurance of the Associateship for Information Systems prior to purchase. This includes custom programming, shareware, and other programs purchased "over the counter". A copy of the IT approval letter from the Associateship for Information Systems must be attached to the ProCard Log. **(NOTE: The maximum Single Transaction Limit for a QISV or catalog Information Technology purchase is \$2,000.00)**

**8) GSC Term Contract Items:** On September 1, 2001, HHSC approved TDH to operate under HHSC Purchasing Rules. The approval of these rules now makes most GSC Term Contracts optional for use by HHSC member agencies. The only GSC Term Contracts that HHSC member agencies are **required to** utilize are those where the vendors are Texas Industries for the Blind and Handicapped (TIBH) or Texas Correctional Industries (TCI).

**9) Emergency Purchases:** Emergency purchases may be made with the procurement card. However, in every instance a statement must be attached to the purchase log detailing the emergency and addressing the questions noted below. Such a purchase is considered unauthorized unless it meets the criteria for an emergency purchase and is adequately documented. The statement must clearly address the following items:

- Why the condition requiring the purchase could not have been anticipated.
- The potential financial or operational harm the state/TDH or the public will experience if the purchase is not made immediately. (Note: The state does not consider loss of funding to be financial harm.)

**10) Recycled Products:** TDH must buy recycled goods when a combined purchase of these items totals \$150.00 or more:

1. Re-refined Oils and Lubricants
2. Recycled – Content Toilet Paper, Toilet Seat Covers, and Paper Towels
3. Recycled – Content Printing, Computer and Copier Paper and Business Envelopes

When these items are purchased with a combined purchase amount of \$150.00 or more, proof of the recycled content is to be attached to the ProCard Log.

## **FRAUDULENT USE OR MISAPPLICATION**

### **Abuse Reporting**

All ProCard holders, Business Unit and Organizational Unit Coordinators and the TDH Fiscal Division – Accounts Payable Office are required to report all incidents of possible Fraudulent Use or Misapplication of the ProCard to the Procurement Card Administrator **immediately** upon discovery. The Procurement Card Administrator will review and report, in writing to the Director of Central Procurement Services. The Director of CPS will then review the report; and upon concurrence that a possible violation has occurred the report will be sent to CPS management including the Associate Commissioner of Human Resources and Support. This report will also be sent to the appropriate management of the Cardholder and to the Office of General Counsel – Investigations Office.

### **Fraudulent Use**

The card is to be used for **TDH business only**. Personal use of the card is prohibited and is considered misappropriation of state funds. Personal use of the card may result in termination, criminal charges, or both. TDH will ensure appropriate investigative measures are carried out.

### **Misapplication**

**First Violation:** Cardholder will receive written warning from the Director of CPS, with a copy forwarded to the Cardholder's appropriate management.

**Second Violation:** Cardholder will surrender his/her procurement card to the Procurement Card Administrator for a minimum of ninety (90) days and the appropriate management of the Cardholder will be notified of the violation.

**Third Violation:** Cardholder will immediately surrender his/her procurement card to the Director of CPS for a period of not less than 90 days. The cardholder will receive a written reprimand. CPS may request an investigation and administrative action or prosecution may be recommended for any employee who knowingly and continually violates Texas Law, rules, policies and procedures.

## **DUTIES AND RESPONSIBILITIES**

There are five TDH roles that have responsibilities; the Cardholder, the Business Unit Coordinator, the Organizational Unit Coordinator, the Fiscal Payment Coordinator and the Procurement Card Administrator. They are as follows:

### **1) CARDHOLDER RESPONSIBILITIES**

To be accountable and responsible for his/her card.

To comply with Texas laws, and the Purchasing Rules, Policies and Procedures of TDH and the ProCard Program.

To report all incidents of **possible** Fraudulent Use or Misapplication of the ProCard to the Procurement Card Administrator **immediately** upon discovery.

To be accountable and responsible for complying with the money, per month, per purchase limitations that were set.

To keep his/her card in a safe/secure place when not in use.

To immediately investigate any disputed charges and follow the disputed charges procedure.

To immediately notify Bank of America, his/her Coordinator and the CPS Purchasing Office if a card is lost or stolen.

To be accountable for the physical receipt of the purchased item.

To be responsible for coordinating returns with the vendor.

To supply a Comptroller's Vendor Identification number for the vendor when a SERVICE is purchased.

To enter each transaction into the ProCard Log as it occurs, to immediately review each purchase for completeness and forward the Log, receipts and any other information needed to their Organization or Business Unit Coordinator for payment.

## **RECORD KEEPING**

### **Procurement Card Purchase Log**

Each procurement cardholder is required to maintain a record of all purchases, returns, disputed charges and adjustments using the TDH ProCard purchase log, this log has been created using the EXCEL format and is the only format that will be accepted. This procurement card log must be completed in its entirety. The Cardholder should keep a copy of each month's ProCard Log and documents and make them available for audit. Your log must have the Comptroller's Vendor Identification Number and an "S" must be placed in the G/S column of the Small Purchase Log for purchases of services. The log is used by the Fiscal Division to report eligible services that TDH purchased and must be reported to Internal Revenue Services on Form 1099. Additionally, electronically attach to the ProCard Log all special needs IT approvals or other approvals or waiver letters. Print out copies of these approvals to attach to the hard copy of your ProCard Log and retain one of each for your records.

This information will be used for the following:

- Reconciliation of Bank of America invoices
- Processing payments, and
- As the cardholder's record of all purchases, returns, disputed charges and adjustments
- To provide the needed information to the Fiscal Division, which is then used to report eligible services purchased by TDH that must be reported to the Internal Revenue Service using Form 1099.

Any document associated with a purchase, whether it is the sales receipt, a receiving document or a packing slip, should be kept for use in the reconciliation process. Put them into an envelope as you get them.

**2) Business Unit Coordinator** – Located within the various TDH programs and projects. Works with Associateship, Region, or Hospital (Organizational) Unit Coordinator to organize and maintain the Business Unit. Works with the Organizational Unit Coordinator on payment issues for the Business Unit. This position is a Data Collection point, has direct Cardholder oversight. **CAN BE A CARDHOLDER**

Minimum pay grade: A10/B2  
Direct Access to all Budgets located in the Business Unit – Recommended  
TDH Procurement Card Training – Required  
TDH Procurement Process Training – Required  
State of Texas Purchasing Training – Recommended

**Business Unit Coordinator Responsibilities:**

The Business Unit Coordinator will compile all of the ProCard Logs and receipts from the cardholders in their Bureau, Division or Program for forwarding to the Organizational Unit Coordinator.

To ensure all Business Unit cardholder's purchases comply with Texas laws, rules, policies and procedures.

To report all incidents of **possible** Fraudulent Use or Misapplication of the ProCard to the Procurement Card Administrator **immediately** upon discovery.

To ensure that billing, receipts and the ProCard Log are electronically sent by the cardholders to the Organizational Unit Coordinator by the 3<sup>rd</sup> working day after the invoice billing date every month.

To ensure that the individual cardholder's hard copies of the ProCard Log and documentation are forwarded to the Organizational Unit Coordinator by the 3<sup>rd</sup> working day after the invoice billing date every month.

To forward the completed electronic copies of the Cardholder's ProCard Log and documentation to the Procurement Card Administrator within 3 working days of receipt.

To ensure all Cardholders know the card is for TDH business only and are aware of the proper use and care of his or her card.

To see that the Acknowledgment of Receipt and other forms required for Cardholder eligibility are completed, signed and returned to CPS. These forms are a part of the Coordinators records and a copy is also kept in the Cardholders personnel file.

To maintain all their individual transaction records and make them available for audit.

To keep Cardholders aware of any and all changes to the card program.

To provide Cardholders with the necessary forms and assist them in filling them out when there is an employment status change.

To keep the ProCard Card Administrator advised of any problems, questions, concerns and employment status changes, which affect the ProCard Card Program.

To assist in establishing and maintaining hierarchy (organizational security structure) for their Business Unit.

**3) Associateship/Regional/ Hospital Unit Coordinator** – Located in the Associateship, works directly with ProCard Administrator to organize and maintain Unit. Works with Fiscal Payment Coordinator on Unit Payment Issues. Audit point; reconciler, **CANNOT BE A CARDHOLDER**.

Pay Grade of B8 or higher – Required  
Staff Services Officer or Higher – Required  
Direct Access to all Budgets located in the Organizational Unit – Required  
TDH Procurement Card Training – Required  
TDH Procurement Process Training – Recommended  
State of Texas Purchasing Training – Recommended

### Organizational Unit Coordinator Responsibilities:

To report all incidents of **possible** Fraudulent Use or Misapplication of the ProCard to the Procurement Card Administrator **immediately** upon discovery.

**Payment - Direct Vouchering** - The Organizational Unit Coordinator will be responsible for completing the Purchase Voucher for all individual cardholders assigned to the Organizational Unit. The Coordinator will assemble the purchasing documentation for all purchases made using the ProCard in their Organizational Unit.

The Organization Unit Coordinator will receive and compile all of the ProCard Logs and receipts for forwarding to the Fiscal Division - Accounts Payable office. Process purchase payment voucher according to the Comptroller of Public Accounts' "The State of Texas Purchase Voucher Guide" and Uniform Statewide Accounting System (USAS) User Manual (see Section 2.57 Paying for Purchase). The Organizational Unit Coordinator will compile all Bureau, Division and Program payments into one (1) payment voucher for the entire Organizational Unit before forwarding to Fiscal – Accounts Payable Office for payment.

The Organizational Unit Coordinator will be responsible to ensure the Electronic Purchase Voucher is entered into the system. The payment voucher must contain the following:

- **Amount** - Ensure the total amount of the Bank Statement is entered. Any disputed charges need to be fully resolved, "after the fact". The Organizational Unit Coordinator is responsible for ensuring the disputed charge(s) are researched and the account is credited if applicable.
- **Vendor ID Number (VID)** - Ensure the VID is **18606452656001** with no dashes or spaces. This is the ONLY acceptable VID when making direct deposit ProCard payments to Bank of America.
- **Invoice Number field** - The only acceptable information in this field will be your programs Corporate Account Number with no dashes or spaces, NOT your individual card number. If you do not know the Corporate Account Number for your program, you can contact your Organizational Unit Coordinator or the CPS ProCard Administrator. The voucher cannot and will not be processed in the Fiscal Division – Accounts Payable Office without the correct information.
- **Budget Period** - Ensure the month entered here is the month that payment is being submitted for. The day should be entered as the last day of that month. Ensure the correct year is entered.

- **Project/Grant Information** - Ensure the project/grant, Department I.D., Account (formerly named the "Comptroller's Object Code"), Program (if applicable) and amount for ALL budgets responsible for the total payment are entered. Check this information with the information on the hard copy voucher. Be sure all Project/Grant amounts entered add up to the total amount of the voucher or the voucher will not be processed by the Fiscal Division – Accounts Payable Office.
- **Description Block** -. The budget information may also appear here if there is more than one fund/budget being charged.
- **Contact Person** - Ensure that the Organizational Unit Coordinator's name and TDH phone number are entered into this space.
- **Approval Signature** - Only individuals authorized, on the Authorized Signature Form for your particular budget, can sign the ProCard voucher. The Organizational Unit Coordinator will check all signatures to ensure only authorized individuals are signing in this block

**Coding** - When coding ProCard vouchers for Bank of America credit card purchases voucher should be coded as follows:

- **Account (formerly named the "Comptrollers Object Code" (COBJ)) 7327** - Credit Card payments less than \$5000.00 per transaction.
- **Account (formerly named the "Comptrollers Object Code" (COBJ)) 7324** - Credit Card payments for clients or wards of the State.
- **Capital Asset Purchases (CAP)** - Payments should be coded to the Account, (formerly called the "Comptroller Object Code") for that particular purchase. In other words, if there are any capital asset purchases (CAP), subtract that amount from the total amount and code it with the appropriate Account and list separately. Then code the remaining portion of the voucher 7327 or 7324 whichever applies.

Questions concerning purchase voucher coding should be directed to the Fiscal Payment Coordinator.

To ensure information on voucher is identical to the information entered in the system. Bank of America's address is: Bank of America, Commercial Purchasing Card Services, P.O. Box 53121, Phoenix, AZ, 85072-3121. This is the only address that will be accepted on all ProCard vouchers.

To forward the completed electronic and Hard Copies of the Purchase Voucher, Cardholder's ProCard Log and documentation for purchases to the Fiscal Division Procurement Card Coordinator within 3 working days of receipt.

To ensure that the completed electronic copies of the Organizational Unit's individual Cardholder's ProCard Log and documentation for purchases have been forwarded to the TDH Procurement Card Administrator by the Business Unit

To review all purchases made by the Organizational Unit cardholders for compliance with Texas laws, rules, policies and procedures.

To ensure that billing and receipts agree and payments are electronically vouchered to Fiscal Division – Accounts Payable Office every month.

To ensure all Cardholders know the card is for TDH business only and are aware of the proper use and care of his or her card.

To keep Cardholders aware of any and all changes to the card program.

To report abuse/misuse of ProCard immediately to the ProCard Administrator

To provide Cardholders with the necessary forms and assist them in filling them out when there is an employment status change.

#### **Organizational Unit Coordinator Record Keeping**

The Coordinator shall maintain a Purchase Voucher Log that includes the Bank of America consolidated invoices paid for his/her Organizational or Business Unit, and payment vouchers for the current Fiscal year and two (2) previous Fiscal years.

Maintain electronic and hard copies of the individual Cardholder's ProCard Log and documentation for the current Fiscal year and the previous two (2) Fiscal years.

To see that the Acknowledgment of Receipt and other forms required for Cardholder eligibility are completed, signed and returned to CPS. These forms are a part of the Coordinators records and a copy is also kept in the Cardholders personnel file.

To maintain all required records and make them available for audit.

#### **4) FISCAL PAYMENT COORDINATOR RESPONSIBILITIES**

**Fiscal Payment Coordinator** – Located in Fiscal Division – Accounts Payable Office, Bureau of Financial Services; named by the Bureau of Financial Services

The Fiscal Payment Coordinator has general oversight over the Fiscal Division's support of the ProCard payment processes.

##### **Fiscal Division Responsibilities**

The Accounts Payable Office will process properly prepared purchase vouchers within three working days. Fiscal Division – Accounts Payable personnel will promptly notify ProCard Organizational Unit Coordinators of incomplete or incorrect purchase vouchers. The purpose of this notification is to give ProCard coordinators the opportunity to promptly complete or correct their purchase vouchers to ensure timely payment to the bank.

The Fiscal Division – Accounts Payable Office will review ProCard logs and promptly notify the Central Procurement Services ProCard Administrator of any questionable purchases and any possible incidents of Fraudulent Use or Misapplication by a Cardholder. This communication will be by e-mail with the subject line: Questionable ProCard Purchases

The e-mail message will include the following additional information:

- Questionable Purchases – XX-XXX. The "XX-XXX" will include the last two digits of the state fiscal year and a three-digit serial number.
- Voucher number
- Corporate account number
- Description of questionable item purchased
- Amount of questionable item purchased
- Date of questionable item purchased
- Vendor from which questionable item was purchased.

The Fiscal Division – Accounts Payable Office will maintain copies of all ProCard purchase vouchers for inspection by the Central Procurement Services ProCard Administrator or by others who have a business interest in reviewing them.

#### **4.a) FISCAL DIVISION PAYMENT VOUCHER REQUIREMENTS**

**1) Amount** - Ensure the total amount of the Bank Statement is being paid. Any disputed charges need to be fully resolved, "after the fact". The Organizational Unit Coordinator is responsible for ensuring the disputed charge(s) are researched and the account is credited where applicable.

**2) Vendor ID Number (VID)** - Ensure the VID is **18606452656001**. This is the ONLY acceptable VID when making ProCard payments to Bank of America. Invoice Number field - The only acceptable information in this field will be your programs Corporate Account Number, NOT your individual card number. If you do not know the Corporate Account Number for your program, you can contact your Organizational Unit Coordinator or the CPS ProCard Administrator. The voucher cannot and will not be processed in the Fiscal Division – Accounts Payable Office without the correct information.

**3) Budget Period** - Ensure the month entered here is the month that payment is being submitted for. The day should be entered as the last day of that month. Ensure the correct year is entered.

**4) Project/Grant Information and Department I.D.** - Ensure the Project/Grant, Department I.D., Account (formerly named the “Comptrollers Object Code”), Program (if applicable) and amount for ALL budgets responsible for the total payment is entered. Check this information with the information on the hard copy voucher. Be sure all Project/Grant amounts entered add up to the total amount of the voucher or voucher will not be processed by the Fiscal Division – Accounts Payable Office.

**5) Review of Hard Copy Paper Voucher** - Ensure information on voucher is identical to the information entered in the system. Bank of America's address is Bank of America, Commercial Purchasing Card Services, P.O. Box 53121, Phoenix, AZ, 85072-3121. This is the only address that will be accepted on all ProCard vouchers.

**6) Description Block** - The budget information may also appear here if there is more than one fund/budget being charged.

**7) Contact Person** - Ensure that the Organizational Unit Coordinator's name and TDH phone number are entered into this space.

**8) Approval Signature** - Only individuals authorized, on the Authorized Signature Form for your particular budget, can sign the ProCard voucher. The Organizational Unit Coordinator will check all signatures to ensure only authorized individuals are signing in this block

**9) Invoice Number Field** - The only acceptable information in this field will be your programs Corporate Account Number with no dashes or spaces, NOT your individual card number. If you do not know the Corporate Account Number for your program, you can contact your Organizational Unit Coordinator or the CPS ProCard Administrator. The voucher cannot and will not be processed in the Fiscal Division – Accounts Payable Office without the correct information.

## 10) Coding

When coding ProCard vouchers for Bank of America credit card purchases the voucher should be coded as follows:

- **Account (formerly named the “Comptrollers Object Code” (COBJ) 7327** - Credit Card payments <\$5000.00 per transaction.
- **Account (formerly named the “Comptrollers Object Code” (COBJ) 7324** - Credit Card payments for clients or wards of the State.
- **Capital Asset Purchases (CAP)** - Payments should be coded to the Account (formerly named the “Comptroller Object Code”) for that particular purchase. In other words, if there are any capital asset purchases (CAP), subtract that amount from the total amount and code it separately. Then code the remaining portion of the voucher 7327 or 7324 whichever applies.

Questions concerning purchase voucher coding should be directed to the Fiscal Payment Coordinator.

## 5) CPS Procurement Card Administrator Responsibilities

The Administrator is responsible for the overall operation of the TDH ProCard program and regularly reporting to TDH management on the condition and operation of the program.

The Administrator is responsible for the development and implementation of training programs for Organizational Unit Coordinators, Business Unit Coordinators and Cardholders.

The Administrator will maintain and update the ProCard Policy and Procedures Manual, insuring that all updates, policy changes, etc. are effectively communicated to TDH management, Organization Unit Coordinators, Business Unit Coordinators and Cardholders.

The Administrator will conduct periodic reviews (audits) of ProCard transactions to verify the appropriateness of purchases, maintenance of records, compliance with reporting requirements and payment history. Violations and potential violations will be documented. Fraudulent Use and/or Misapplication of the ProCard will be reported to the Director of CPS for review. Upon determination that a possible violation has occurred, it will be reported to CPS management including the Associate Commissioner of Human Resources and Support. This report will also be sent to appropriate management of the Cardholder and to the Office of General Counsel – Investigations Office and appropriate administrative or disciplinary actions requested/taken.

The Administrator will maintain communications with the procurement card vendor and service as a conduit of information between TDH and the Credit Card Vendor and provide assistance in the resolution of disputes between both parties.

The Administrator will develop and maintain the Hierarchy (organizational reporting structure) of the TDH ProCard program.

The Administrator will assist in the development and implementation of improvements to the TDH ProCard program.

The Administrator will assist in the development and maintenance of the database of the TDH ProCard Program.

The Administrator will research and evaluate additional opportunities for ProCard usage by the Agency and be responsible for the development and implementation of changes once approved by TDH management.

The Administrator will be available to council and assist the cardholders with purchasing questions and problems.

To ensure a ProCard with a Single Transaction Limit of \$5,000.00 is not allowed to be issued to a cardholder unless the cardholder has provided proof of GSC Basic Purchasing Training or Certification and that his/her Organizational Unit Coordinator has approved the \$5,000.00 Single Transaction Limit.

## Appendix

## Frequently Asked Questions

### **May an item be purchased from the same vendor on two separate days?**

It's ok to use the same vendor on different days. The real issue here is the intent to avoid the single transaction limit by making two purchases on different days instead of one purchase.

### **May three separate purchases be made from the same vendor two days apart?**

This is a different version of the question above. What was the dollar amount of each purchase on these two days? The real issue here is still the intent to avoid the single transaction limit by making three purchases on different days instead of one purchase.

### **Must three bids be taken on all procurement card purchases?**

You don't need three bids when placing orders under \$5000 (Note: a Cardholder with a Single Transaction Limit of \$5,000 may not exceed the maximum \$2,000 limit when the purchase is for a catalog Information Technology or QISV product). You just have to contact one GSC-certified HUB vendor. If the GSC HUB vendor offers pricing that you like then you are not required to contact any additional vendors. REMEMBER: If the product you are purchasing is a catalog type purchase then you MUST use a Qualified Information Systems Vendor (QISV).

### **May two different employees make like purchases from the same vendor?**

It's ok to have like purchase requests from different employees. This is a common occurrence in all programs. The real issue here is the intent to avoid the single transaction limit by making two purchases by different cardholders instead of one purchase.

### **May purchases be made from the same vendor on different days?**

It's ok to use the same vendor on different days. It will however give the appearance of splitting your purchases to circumvent purchasing procedure. Just document that it's not a double swipe.

**It's difficult to justify paying substantially more for a product in order to be able to say I'd purchased from different vendors. Do I have to split purchases on different days or for different items just to make sure I don't purchase from the same vendor?**

Why would you or any purchaser pay more for a product? Make the right business decision - just document what you did and why. If the value of the purchase exceeds your transaction limit, combine the purchases and enter a purchase request. Otherwise you run the risk of appearing to have made an attempt to circumvent the policy.

**Is it ok to make exceptions to the rules if the item was purchased from a HUB vendor?**

No. Purchasing policies, rules etc. must always be followed.

**Is there a problem if the purchase total of the three purchases to the same vendor over two days was around \$4300?**

This is double swiping. There is no way to avoid this being perceived as an attempt to circumvent the policy. Each purchase may not exceed \$2,000 (Note: a Cardholder with a Single Transaction Limit of \$5,000 may exceed the \$2,000 limit provided the purchase is not for a QISV or catalog IT purchase). On one of these two days someone did a double swipe.

**If the combined purchases from several employees or programs in the same Business Unit to a single vendor total more than \$2,000, should they be combined so that a request could be made to CPS?**

Yes. When the combined purchase amount exceeds the single transaction limit on the procurement card, those requirements should be added and a single request sent to CPS. Once you realize this situation, doing anything else (processing multiple procurement card purchases) would be perceived as an effort to circumvent the purchasing policy, rules, etc. when placing those orders even though the purchases were requested from different employees. It would also show a lack of proper in-house purchasing procedures on the programs' part.

**Sometimes situations are judgment calls; then what?**

That is exactly right. In some cases you have to make a judgment call. Just be sure that when making these calls that you have back-up documentation on why you've proceeded with your purchase.

NOTE: You need to establish some kind of in-house purchasing procedures so that your not faced with this type of problem again. A good guideline to follow when you have a question on a purchase is "What would this look like on the front page of the Austin American-Statesman?"

**How does the overall Card Program work?**

You make a purchase by charging it on the card; the transaction is electronically sent to Bank of America; Bank of America pays the vendor within 24 to 48 hours; Bank of America bills TDH monthly and billings are paid within 14 days. What this all means is, you get what you need faster, vendors get paid faster and there is a lot less paperwork generated during the entire process.

**Is there an Annual Fee?**

No. But, there is interest (prime rate + 2%) if Bank of America does not receive payment within 30 days of the monthly billing date.

**Is the card the same as the Bank of America Travel Card or the Gasoline Card?**

No. The card does not replace the Bank of America Travel Card for travel and related expenses or the Gasoline Card for unleaded gasoline and diesel. They are completely separate and for completely different uses.

**Can I use the card to purchase Compressed Natural Gas (CNG) and Liquefied Propane Gas (LPG) for alternately fueled vehicles?**

Yes. If you use the card for buying CNG or LPG, you must log the purchase into the Road Scholar computer program along with other gasoline purchases. This information will be used to capture fuel costs and mileages to comply with mandated reporting to GSC by TDH General Services Division. Do not attach the card receipt from the vendor to the vehicle log. It will be needed for the Procurement Card Purchase Log for auditing and payment processing.

**Is the card supposed to do away with the standard operating Purchasing procedures we've always had?**

No! The card is supposed to be a companion to the existing TDH purchasing process. It is only to help you get the small dollar goods and services you need easier and faster.

**How does the card affect my personal credit?**

Use of The Card does not affect your personal credit at all. Although the card is issued to you as an individual, the contract is between the State of Texas and Bank of America.

**Can others use my Card?**

No. The card is issued to individuals rather than to an office or site. Only the person whose name is on the card can use that card.

**What happens if the vendor I bought my supplies from doesn't have, or doesn't know, his or her Vendor Identification Number?**

No problem. Just use the Vendor's Federal Tax Number.

**How do I keep up with the purchases that I make?**

Your purchases must be added to your ProCard Log as you make them so you can verify the Bank of America billing is correct each month.

**Does the Fiscal Year (FY) have anything to do with the purchases I make?**

Yes. Payment for goods will be charged to the FY the goods were bought. In other words, you cannot buy goods during one FY period and pay for them out of the next FY period.

**What happens if the vendor I bought my service(s) from doesn't have, or doesn't know, his or her Vendor Identification Number?**

No problem again. Just set up a Vendor Identification Number through the Fiscal Division – Accounts Payable Office after you have made your purchase.

NOTE: THE GSC'S CERTIFIED HUB VENDOR IDENTIFICATION NUMBERS ARE AVAILABLE TO YOU ON THE GSC WEB SITE ([www.gsc.state.tx.us](http://www.gsc.state.tx.us)).

**Should TDH be charged Sales Tax?**

Never! Remind the vendor at the time you are making your purchase(s) that we are not to be charged Sales Tax.

**What do I do if the vendor asks for our Tax Exempt Number?**

Give it to him or her.

THE TDH FEDERAL TAX EXEMPT NUMBER IS: **74-6000182**

THE TDH STATE TAX EXEMPT NUMBER IS: **3-501-501-501-5000**

**When I place phone or mail orders, what will I use as a receiving document?**

The only time you will not have a signed procurement card sales receipt, as your receiving document is when you place phone or mail orders. In this case, you, as the Cardholder, must request a faxed receipt at the time you place the order.

**If I don't pick up the supplies I purchased, how is delivery handled?**

If the purchased item is not picked up at the time the purchase is made by the Cardholder, the Cardholder must be sure the following information is indicated on the packing/delivery slip so receiving staff will know how to handle:

- ☐ Cardholders' Name and Phone No.
- ☐ Purchase Date
- ☐ Vendors' Name and Phone No.

**NOTE:** As a safeguard to making sure you receive the items you ordered by using the card, when your purchases have been received at the central complex Warehouse or at Public Health Region locations, each Cardholder is responsible for notifying receiving staff about the purchases and pending deliveries. This may be done by supplying copies of requests, or an e-Mail message to the receiving staff. If off campus, please have deliveries made directly to your location. Also, ensure you instruct the vendor to ship the goods – "F.O.B. Destination, freight paid by vendor."

**What do I do if I still have questions about the card program or use of the card?**

Never a problem...call us at (512) 458-7744. Our mission is to help you get what you need faster, cheaper, easier and right the first time!

